

The most popular date to retire during 2011 is December 31 because it is the end of a pay period and the last day you can retire and still receive a lump sum payment for all annual leave that you have accrued.

If you want to retire December 31, 2011 – January 3, 2012 you should submit your retirement application by September 1. This allows the Civilian Benefits Center (CBC) to ensure timely processing of your application. In addition, submitting your application by September 1 allows adequate time to resolve any issues which may affect your annuity.

This bulletin answers some of the most frequently asked questions about retirement. If you have additional questions, please call the Benefits Line at 888-320-2917 and select menu option #4 to talk to a Customer Service Representative (CSR). The CSR will take your contact information and a Retirement Specialist will call you. CSRs are available 7:30 a.m. to 7:30 p.m., Eastern Time, Monday through Friday, except on federal holidays. The TTY number for the deaf and hard of hearing is 866-328-9889.

1. What is the best day of the month to retire? The best day to retire is one that allows for your salary as an employee to stop on one day and your annuity as a retiree to begin the next day. Information about the annuity start date for each retirement plan is listed below.

a. Civil Service Retirement System (CSRS) Employees. If your retirement plan is CSRS (Block 30 on your SF 50 Notification of Personnel Action is "1", "6", "C" or "E") the best day to retire is the 1st, 2nd, 3rd or last day of the month since your retirement annuity will begin the following day. If you retire on any other day of the month your retirement annuity will begin on the 1st day of the following month and you will have a period of time where you are not receiving civil service salary or retirement annuity. Example:

Date of Retirement	Date Annuity Begins
December 31, 2011	January 1, 2012
January 1, 2012	January 2, 2012
January 2, 2012	January 3, 2012
January 3, 2012	January 4, 2012
January 4 – 31, 2012	February 1, 2012

b. Federal Employees Retirement System (FERS) Employees. If your retirement plan is FERS (Block 30 on your SF 50 is "K", "L", or "M") the best day to retire is the last day of the month. If you retire on any other day of the month your retirement annuity will begin on the 1st day of the following month and you will have a period of time where you are not receiving civil service salary or retirement annuity. Example:

Date of Retirement	Date Annuity Begins
December 31, 2011	January 1, 2012
January 1 – 31, 2012	February 1, 2012

2. When can I retire and still receive payment for all of my use or lose annual leave? If you want to receive payment for any annual leave that you have accrued, you should retire at the end of the leave year (December 31, 2011 for leave year 2011). You will receive the lump sum payment in the 2012 tax year which may be advantageous if your taxable income for 2012 is less than in 2011. Consult your tax advisor for specific advice on the affect on your taxes.

3. Will I earn annual and sick leave for the pay period I retire? If you want to accrue leave during the pay period you retire, you must be in a pay status for your full biweekly pay period. Employees who retire on December 31, 2011 will earn annual and sick leave for that pay period. Employees who retire on January 1, 2, or 3, 2012 will not earn annual and sick leave since these dates are in the middle of the pay period.

4. How do I apply for retirement? You must complete the retirement application and supporting documents. The retirement application and procedures are available on the Civilian Human Resources Web site:

- CSRS employees
<http://www.public.navy.mil/donhr/Benefits/retirement/csrs/Pages/VoluntaryRetirement.aspx>
- FERS employees
<http://www.public.navy.mil/donhr/Benefits/retirement/fers/Pages/VoluntaryRetirement.aspx>.

You may also call the Benefits Line to request assistance in obtaining the application.

5. What can I do to avoid delays in the processing of my retirement and receipt of my retirement annuity? You can expedite the processing of your retirement by ensuring that the following information is complete and included with your application:

a. Retirement application (SF 2801/SF 3107):

(1) Sign and date the application in Section I.

(2) Attach a copy of your marriage certificate, if you are married.

(3) If you are married and do not elect a full survivor annuity, your spouse must consent to the election by signing and dating the SF 2801-2/SF 3107-2 in the presence of a notary.

(4) If you have a living former spouse to whom a court order gives a survivor annuity, attach a certified copy of the court order and any amendments.

b. If you are enrolled in Federal Employees' Group Life Insurance (FEGLI):

(1) One of the most frequent errors made by employees who are enrolled in FEGLI is the completion of the SF 2818, Continuation of Life Insurance Coverage. You must sign and date in

each of the four signature blocks that are marked with an arrow.

(2) If you are enrolled only in Basic you must check the "I do not have" block for Option A, B, or C, and sign/date.

c. If you have active military service:

(1) Attach a copy of your DD 214, Certificate of Release or Discharge From Active Duty.

(2) If you have previously made a deposit for your active military service, attach a copy of the receipt.

(3) If you want to make a deposit for your active military service, you must make it to your payroll office before you retire. It cannot be paid to the Office of Personnel Management (OPM) after you retire. Since it may take months to complete the deposit, you should factor this time into your planning for retirement.

(4) If you are receiving a retirement annuity from a military reserve component attach a copy of your retirement letter.

(5) Additional information about making a deposit for active military service is available on the Civilian Human Resources Web:

- CSRS employees
<http://www.public.navy.mil/donhr/Benefits/retirement/csrs/Pages/CreditingMilitaryService.aspx>
- FERS employees
<http://www.public.navy.mil/DONHR/BENEFITS/RETIREMENT/FERS/Pages/CreditingActiveMilitaryService.aspx>.

d. If you have civilian service where retirement deductions were not withheld (deposit service) or withheld and refunded (redeposit service):

(1) Attach a copy of the receipt if you have made a deposit/redeposit to OPM.

(2) If you have not made the deposit/redeposit you can pay it to OPM after you retire.

(3) Additional information about crediting deposit service is available on the Civilian Human Resources Web site:

- CSRS employees
<http://www.public.navy.mil/donhr/Benefits/retirement/csrs/Pages/CreatingCivilianServiceNotSubjecttoRetirementDeductions.aspx>
- FERS employees
<http://www.public.navy.mil/donhr/Benefits/retirement/fers/Pages/CreditingCivilianServiceNotSubjecttoRetirementDeductions.aspx>

(4) Additional information about crediting redeposit service is available on the Civilian Human Resources Web site:

- CSRS employees
<http://www.public.navy.mil/DONHR/BENEFITS/RETIREMENT/CSRS/Pages/CreditingCivilianServiceforWhichYouReceivedaRefundoftheRetirementDeductions.aspx>
- FERS employees
<http://www.public.navy.mil/donhr/Benefits/retirement/fers/Pages/CreditingCivilianServiceforWhichYouReceivedaRefundofRetirementDeductions.aspx>

6. What does the CBC do with my retirement application? After the CBC receives your retirement application, the Retirement Counselor will contact you to confirm receipt of your application and counsel you about your benefits. The Counselor will review your Official Personnel Folder and prepare the agency portion of the application. Your payroll office will finalize your pay records at the end of the pay period in which you retire and send them to the CBC. Your application and pay records will be sent to OPM once the CBC receives your final pay records.

7. How does my payroll office process my final pay? Your last pay check will be sent to your financial institution on the next pay date after you retire. You will receive a lump sum payment for your annual leave within 2 pay dates of separation. Leave is paid out as if you had remained employed until the leave had been used. Social Security (if applicable), Medicare, and Federal and State income tax are withheld from lump sum annual leave payments.

8. How long does it take for OPM to process my retirement application? If your retirement records are complete when received by OPM your retirement application should be completely processed in approximately 6 - 8 months from the date OPM receives it. You should consider the time required by OPM to process your application in your financial planning for retirement.

As soon as OPM receives your retirement records, you will be placed in an interim pay status so you will have income until OPM finishes processing your application. The average amount of interim pay is 80% of your expected annuity. The only withholding from interim pay is for Federal income tax. Your health and life insurance coverage will continue while you receive interim pay. Once OPM finishes processing your retirement application, it will withhold health and life insurance premiums retroactive to the date your annuity began.